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PART V

Bills introduced in the Council of State and Legislative Assembly, Reports of Select Committees presented to the Council and Assembly, and Bills published under 18 of the Indian Legislative Rules.

GOVERNMENT OF INDIA LEGISLATIVE ASSEMBLY DEPARTMENT

New Delhi, the 9th January, 1947

No. F. 102-I/47-A.—Under Rule 18 of the Indian Legislative Rules, the Governor General has been pleased to order the publication in the Gazette of India of the following Bill, together with the Statement of Objects and Reasons relating thereto, and the Bill and the Statement of Objects and Reasons are accordingly published for general information —

L. A. BILL No. 1 OF 1947

A Bill to make provision for assistance to the rubber plantation industry by regulating export from and import into British India of rubber and the sale of rubber therein and by other means.

WHEREAS it is expedient to make provision for assistance to the rubber plantation industry by regulating the export from and import into British India of rubber and the sale of rubber therein and by other means:

It is hereby enacted as follows:—

1. (1) This Act may be called the Rubber Short title and extent. (Production and Marketing) Act, 1947.

(2) It extends to the whole of British India.

2. It is hereby declared that it is expedient in the Declaration as to expedi-
public interest that the Central Government should take
under its control the development of the rubber indus-
try. Central Gov-
ernment's
control.
Definitions.

3. In this Act, unless there is anything repugnant in the subject or context,—

(a) "approved" and "licensed" mean respectively approved and licensed by the Board for the purposes of this Act;

(b) "Board" means the Indian Rubber Board constituted under this Act;

*The Governor General has been pleased to give the previous sanction required by section 67 (2) (a) of the Government of India Act, as saved from repeal by paragraph of the Government of India (Commencement and Transitional Provisions) Order, 1936, by introduction in the Legislative Assembly of this Bill.

(c) "dealer" means any person who deals in rubber whether wholesale or retail, or holds stocks of rubber, and includes the representative or agent of a dealer;

(d) "estate" means any area administered as one unit which contains land planted with rubber plants;

(e) "manufacturer" means any person engaged in the manufacture of any article in the making of which rubber is used;

(f) "owner" includes any agent of an owner and a mortgagee in possession and a lessee of an estate;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "rubber" means—

(i) crude rubber, that is to say, rubber prepared from the leaves, bark or latex of any rubber plant;

(ii) the latex of any rubber plant whether fluid or coagulated in any stage of the treatment to which it is subjected during the process of conversion into rubber;

(iii) latex (dry rubber content) in any state of concentration,

but does not include rubber contained in any manufactured article;

(i) "rubber plant" includes plants, trees, shrubs or vines of any of the following:—

(i) *Hevea Brasiliensis* (Para Rubber),

(ii) *Manihot Glaziovii* (Ceara Rubber),

(iii) *Castilloa elastica*,

(iv) *Ficus elastica* (Rambong), and

(v) any other plant which the Board may, by notification in the Gazette of India, declare to be a rubber plant for the purposes of this Act;

(j) "Rubber Production Commissioner" means the Rubber Production Commissioner appointed under this Act.

Constitution of the Board. 4. (1) The Central Government shall constitute for the purposes of this Act a Board to be called the Indian Rubber Board.

(2) The Board shall be a body corporate by the name of the Indian Rubber Board having perpetual succession and a common seal, with power to acquire and hold property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(3) The Board shall consist of—

(a) two members representing the Central Government to be nominated by that Government;

(b) one member representing the Imperial Council of Agricultural Research to be nominated by the Central Government;

(c) one member to be nominated by the Government of Madras;

(d) three members to be nominated by the Government of Travancore;

(e) two members to be nominated by the Government of Cochin, of whom one shall be a person representing rubber producing interests;

(f) three members to be nominated by the United Planters' Association of Southern India, Coonoor;

(g) three members to be nominated by the Rubber Growers' Association of India, Kottayam;

(h) three members to be nominated by the Association of Planters of Travancore, Kottayam;

(i) two members to be nominated by the Central Government to represent rubber manufacturers;

(j) one member to be nominated by the Central Government from among approved dealers;

(k) the Rubber Production Commissioner, *ex-officio*.

(4) The Board shall elect one of its members to be its Chairman and another member to be its Vice-Chairman.

(5) No act done by the Board shall be questioned on the ground merely of the existence of any vacancy in or defect in the constitution of the Board.

(6) The Chairman and other members of the Board shall receive such allowances as may be prescribed.

5. If any authority or body fails to make within a Vacancies reasonable time any nomination which it is entitled to in the Board, make under section 4, the Central Government may itself nominate a member to fill the vacancy.

6. (1) The Central Government shall, in consultation with the Board, appoint a Rubber Production Commissioner to exercise such powers and perform such duties under the direction of the Board as may be prescribed. *Executive Officers of the Board*

(2) The Central Government shall, in consultation with the Board, appoint a Secretary to the Board to exercise such powers and perform such duties under the direction of the Board as may be prescribed or as may be delegated to him by the Rubber Production Commissioner.

(3) The Rubber Production Commissioner and the Secretary shall not undertake any work unconnected with their duties under this Act, except with the permission of the Central Government.

7. (1) The Board may appoint such Committees as may be necessary for the efficient performance of its *Committees of the Board* duties and functions under this Act.

(2) The Board shall have the power to co-opt as members of any Committee such number of persons who are not members of the Board, as it may think fit.

(3) The Board may appoint and authorise agents to discharge on its behalf any of its functions in relation to the marketing or storing of rubber.

Functions of the Board.**8. (1) The Board shall—**

(a) encourage the production of rubber on efficient lines by training students selected by the Board in proved methods of planting and cultivation, by manuring and spraying, by the supply and maintenance of machinery and other estate requisites, by propaganda, by scientific and technological research and by such other means as the Board may think fit;

(b) for the purposes of this Act approve estates⁸ and approve or license dealers, and maintain registers of approved estates and approved and licensed dealers;

(c) take such steps as may be necessary for the efficient marketing of rubber, including the regulation of sales of rubber by estates and by approved and licensed dealers;

(d) perform such duties and furnish such reports as may be required by the Central Government from time to time.

(2) The Board may—

(a) supply technical advice for the guidance of rubber growers;

(b) advise the Central Government on matters relating to the development of the rubber industry and the import and export of rubber;

(c) advise the Central Government with regard to participation in any International Conference or scheme relating to rubber;

(d) control planting and replanting and where necessary encourage increased production.

Half yearly reports. **9. The Board shall submit a half-yearly report on its activities and the working of this Act to the Central Government and to such other authorities as may be prescribed.**

Registration.

10. (1) Every person owning land planted with rubber plants, whether such land is comprised in one estate or in more than one estate and whether it is situated wholly or only partly in British India, shall, before the expiry of one month from the date of commencement of this Act, apply to the registering officer appointed in this behalf by the Provincial Government or if no such officer is appointed, to the Board, to be registered as an owner in respect of each estate owned by him.

(2) A registration once made shall continue in force until it is cancelled by the registering officer or the Board.

Power of Provincial Government to make rules.

11. (1) The Provincial Government may, by notification in the official Gazette, make rules to carry into effect the provisions of section 10.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe the form of

application for registration or cancellation of registration, the fee payable on such applications, the procedure to be followed in granting or cancelling registration, the registers to be kept by registering officers, and the supply by registering officers of information to the Board.

12. (1) With effect from such date as may be notified by the Central Government in this behalf, there shall be levied and collected as a cess for the purposes of this Act a duty of excise on all rubber produced in British India at such rate as the Central Government may, on the recommendation of the Board, by the same or a like notification, from time to time fix. Imposition of rubber cess

(2) The said duty of excise shall be payable by the owner of the estate on which the rubber is produced, and shall be paid by him to the Board within one month from the date on which he receives a notice of demand therefor from the Board.

(3) The said duty of excise may be recovered as if it were an arrear of land-revenue.

(4) For the purpose of enabling the Board to assess⁸ the amount of the duty of excise payable by the owner of an estate under this section —

(a) the Board shall, by notification in the Gazette of India, fix the period in respect of which assessments shall be made, and

(b) without prejudice to the provisions of sections 22, 23, and 24, every owner of an estate shall furnish to the Board a return stating the total amount of rubber produced on the estate in each such period, not later than fifteen days after the expiry of the period to which the return relates :

Provided that in respect of an estate situated only partly in British India, the owner shall in the said return show separately the amounts of rubber produced within and outside British India.

(5) If any owner of an estate fails to furnish in due time the return referred to in sub-section (4) or furnishes a return which the Board has reason to believe is incorrect or defective, the Board may assess the amount payable by that owner in such manner as may be prescribed.

(6) Any owner of an estate aggrieved by an assessment made under this section may within three months of the service of the notice under sub-section (2) apply to District Judge for the cancellation or modification of the assessment, and the District Judge shall, after giving the Board an opportunity of being heard, pass such order (which shall be final) as he thinks proper.

13. The Board may, with the previous sanction of the Central Government, levy such fees as may be fixed by mits, certifiit for the issue of permits, transit certificates and rates and licences under this Act. Fees for per-

Investment of funds. **14.** (1) The funds of the Board shall be kept in such bank or invested in such manner as may be prescribed.

(2) The said funds shall be expended only for such purposes as may be proscribed.

Fixation of price for sale of rubber. **15.** (1) The Central Government may, after consultation with the Board, by notification in the official Gazette, fix the price or prices at which rubber may be sold, whether wholesale or retail, in the Indian market.

(2) No owner of an estate or dealer shall sell rubber, whether wholesale or retail, in the Indian market at a price or prices higher than the price or prices fixed under sub-section (1).

Restriction on sale of rubber. **16.** (1) No owner of an approved estate and no approved dealer shall sell or otherwise transfer or dispose of any rubber except under and in accordance with the conditions of a permit issued by the Board :

Provided that nothing contained in this sub-section shall apply to the sale, transfer or disposal of rubber by the owner of an approved estate or an approved dealer, to a person who is the owner of an approved estate or is an approved dealer.

(2) No licensed dealer shall sell or otherwise transfer or dispose of any rubber except to an approved dealer and no other person shall sell or otherwise transfer or dispose of any rubber except to an approved or licensed dealer.

Acquisition of rubber by manufacturers. **17.** No manufacturer shall purchase or otherwise acquire rubber—

(a) except under and in accordance with the conditions of a permit issued by the Board, and

(b) except from the owner of an approved estate or from an approved dealer.

Restriction on possession of rubber. **18.** (1) No person not being the owner or occupant of an estate or an approved or licensed dealer or a person who has acquired rubber under a permit issued by the Board, shall have any rubber in his possession.

(2) Any Court trying a contravention of sub-section (1) may, without prejudice to the provisions of section 28, direct that any rubber in respect of which the Court is satisfied that such contravention has been committed shall be forfeited to His Majesty.

Validity and revocation of permits. **19.** (1) A permit issued under section 16 or section 17 shall be valid only for such period as may be specified therein :

Provided that the Board may from time to time extend the period of validity of any such permit.

(2) The Board may at any time revoke a permit issued under section 16 or section 17 and on such revocation it shall be returned to the Board by the person to whom it was issued.

20. (1) No person shall plant or replant rubber except under and in accordance with the conditions of a licence issued by the Board. Licences for planting or replanting.

(2) A licence issued under this section shall specify the area in which rubber may be planted or replanted and the period for which the licence shall be valid.

(3) No licence issued under this section shall be transferable except with the land to which it relates.

21. (1) Every holder of a licence issued under section 20 shall, at such times as the Board may require, furnish to it a report specifying the areas newly planted or replanted during the period to which the report relates and containing such other particulars as may be required by the Board. Reports to be submitted by licensees.

(2) The Board may revoke any licence issued under section 20, if it is satisfied that the licence was obtained by misrepresentation or fraud or if the licensee fails to submit the report referred to in sub-section (1).

22. (1) The owner of every approved estate shall submit to the Board such returns in such form, at such times and containing such particulars as to the area planted or replanted with rubber, the production of rubber (including the cost thereof), the stocks of rubber held and such other information, as may be prescribed. Returns to be submitted by owners of estates, dealers and manufacturers.

(2) Every approved or licensed dealer shall submit to the Board such returns and documents in such form and at such times and containing such particulars in regard to the purchases and sales of rubber, the stocks held by him and such other information, as may be prescribed.

(3) Every manufacturer shall submit to the Board such returns in such form and at such times and containing such particulars relating to acquisition and utilisation of each grade of rubber and the stocks of each grade of rubber held by him, as may be prescribed.

23. The owner of any unapproved estate shall, if required by the Board, submit within such time not being less than thirty days as may be specified in the notice, a true and correct return in the prescribed form stating the area in his estate planted with rubber, the production of rubber (including the cost of production) in the estate, the sales of rubber effected and the stocks of rubber held by him and furnishing such other information as may be specified in the notice. Return by owners of unapproved estates.

24. (1) The owner of every approved estate shall maintain true and correct accounts and other records in such form as may be prescribed, showing the quantity of each grade of rubber produced in the estate, the expenses of production, the sales of each grade of rubber effected and the stocks of rubber of each grade held by him. Maintenance of accounts, etc.

(2) Every approved or licensed dealer shall maintain true and correct accounts of his business in such form as may be prescribed showing the quantity of rubber of each grade bought and sold by him and the stocks of each grade of rubber held by him.

(3) Every manufacturer shall maintain true and correct accounts, in such form as may be prescribed of the quantity of each grade of rubber purchased or otherwise acquired and utilised by him in manufacturing or in any other process, and the stocks of each grade of rubber held by him.

**Inspection
of accounts.**

25. The owner of every approved estate, every manufacturer and every approved or licensed dealer shall permit any officer authorised by the Board in this behalf to inspect his accounts and other records referred to in section 24.

**Inspection
of land and
premises.**

26. Any officer authorised by the Board in this behalf may inspect any place of storage of rubber, any estate or the place of business of any approved or licensed dealer or the factory or other premises of any manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purpose of this Act.

**Transit cer-
tificates.**

27. (1) No person shall send or despatch any rubber for transit by rail or sea to any place without a transit certificate issued by the Board :

Provided that nothing in this section shall apply to—

(a) the consignment or despatch of rubber by rail or sea to any of the following places, namely, Alleppey, Alwaye, Calicut, Cochin (including the Cochin Harbour Terminus), Kottayam, Quilon, Trivandrum and Trichur ;

(b) the consignment by post of samples of rubber not exceeding four pounds avoirdupois.

(2) Whenever rubber is despatched by rail or sea on the authority of a transit certificate, the railway or shipping authority, as the case may be, shall endorse on the certificate the quantity of rubber accepted for despatch.

Penalties.

28. (1) Any person who contravenes any of the provisions of this Act or any rule made thereunder shall be punishable with simple imprisonment for a term which may extend to one month, or with fine which may extend to one thousand rupees, or with both.

(2) Any person who in any report or return to be furnished under this Act makes any statement which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to one thousand rupees.

(3) Any person who obstructs any officer of the Board in the discharge of any duty imposed on or entrusted to him by or under this Act, or who having control or custody of account any book or other record fails to produce such book or record when required by such

officer to do so or fails or refuses to furnish any information lawfully required by such officer to be furnished in the course of any inspection, shall be punishable with fine which may extend to one thousand rupees.

29. No prosecution for any offence punishable under Limitation of this Act shall be instituted except by or with the consent ~~prosecutions~~ of the Central Government or the Board.

30. (1) All acts of the Board shall be subject to Control by the Central Government which may cancel, suspend or modify as it thinks fit any action taken by the Board.

(2) The records of the Board shall be open to inspection at all reasonable times by any officer authorised in this behalf by the Central Government.

31. (1) Any person aggrieved by an order of the ~~Appeal~~ Board refusing any permit or licence, or refusing to approve any estate or dealer, may within sixty days of the making of the order and on payment of the prescribed fee appeal to the Central Government.

(2) On any such appeal the Central Government may confirm or cancel the order of the Board.

32. (1) The Board shall keep such accounts, in Accounts of such manner and in such form as may be prescribed, of the Board. all moneys received and expended by it.

(2) The Board shall cause the accounts to be audit-ed annually by auditors appointed by the Central Gov-ernment, and the auditors shall have the power to disallow any item of expenditure which in their opinion has not been properly incurred under this Act.

(3) The Central Government may, on the appli-cation of the Board, allow any item of expenditure dis-allowed by the auditors under sub-section (2).

33. All assets and liabilities of the Indian Rubber Production Board constituted under the Rubber Con-trol and Production Order, 1946, shall form assets Assets and Liabilities of the Indian Rubber Pro-duction Board to vest in the Board.

34. All contracts for the sale of rubber in contra-vention of the provisions of this Act shall be void. Contracts in contraven-tion of the Act void.

35. No suit or prosecution or other legal proceeding shall lie against the Board or any officer of the Board Bar of legal proceeding. in respect of anything in good faith done or intended to be done under this Act.

36. (1) The Central Government may, by noti-fication in the official Gazette, make rules to carry out the purposes of this Act. Power of Central Gov-ernment to make rules.

(2) Without prejudice to the generality of the fore-going power, rules made under this section may provide for all or any of the following matters, namely:—

(a) the procedure to be followed at meetings of the Board;

- (b) the appointment of Committees of the Board, the election of the Chairman and Vice-Chairman of the Board, and the delegation to Committees or the Chairman or the Vice-Chairman or to members or officers of the Board, of any of the powers and duties of the Board under this Act;
- (c) the staff that may be employed by the Board;
- (d) the pay, allowances, leave and other conditions of service of the Rubber Production Commissioner, Secretary and other officers and servants of the Board;
- (e) the travelling allowance of members of the Board and of Committees;
- (f) the establishment and maintenance of officers by the Board;
- (g) the term of office of members of the Board and the circumstances in which and the authority by which members of the Board or any Committee may be removed;
- (h) the quorum at meetings of the Board;
- (i) the maintenance by the Board of records of business transacted and the submission of copies thereof to the Central Government;
- (j) the purposes for which funds of the Board may be expended;
- (k) the maintenance of accounts of income and expenditure of the Board and the audit of such accounts;
- (l) the preparation of annual estimates of income and expenditure of the Board;
- (m) the deposit of funds of the Board in banks and the investment of such funds;
- (n) the registers, and other records to be maintained by the Board;
- (o) the admission or removal of estates and dealers to and from the register of approved estates and dealers;
- (p) the form of application for permits, certificates and licences, the fees for grant of permits, certificates and licences and the form of permits, certificates and licences;
- (q) the reports and returns to be submitted by owners of estates, dealers and manufacturers and the particulars to be furnished in such reports and returns;
- (r) the form in which accounts and other documents shall be maintained by owners of estates, manufacturers and dealers;
- (s) the manner in which rubber shall be graded and marketed;
- (t) the fee payable on appeals under section 31;
- (u) any other matter which is to be or may be prescribed under this Act.

STATEMENT OF OBJECTS AND REASONS

During the years immediately preceding the war, the rubber industry had to face difficult problems arising out of overproduction. With the occupation of the Dutch East Indies and Malaya by Japan, however, rubber became a scarce commodity and the Indian Rubber Production Board was set up in 1942 with the object of encouraging and ensuring increased production of rubber by all possible means. The Rubber Control and Production Order, 1948 (which repealed the old Order of 1942 on the termination of the purchase of rubber by the Government) expired on 30th September, 1946. The rubber industry is anxious about its future and any continuation of the present uncertainty will tend to reduce production. A recent source of difficulty to the producers of natural rubber will be the "synthetic" variety. It is in the national interests to ensure the production of natural rubber in this country.

2. At a conference representing all interests held recently to consider this matter, it was held by an overwhelming majority that on the termination of the Rubber Control and Production Order, a statutory organisation should be set up to look after the interests of the rubber producers in India. Its functions *inter alia* will be to take steps for the efficient marketing of Indian rubber, advise Government on imports and exports, recommend fair prices, promote research and in short, do all such other things as may be necessary for the development of the industry.

3. The proposed Bill has been designed to achieve this object

NEW DELHI;

J. MATTHAI.

The 4th November 1946.

M.D. RAFI,
Socy. to the Govt. of India.

